

Memorandum

Date : AUG 25 2000

To : Arthur Baggett, Acting Chairman
State Water Resources Control Board
Post Office Box 100
Sacramento, California 95812-0100

AUG 30 2000

From : Department of Water Resources

Subject: Report on the Negotiations to Resolve Issues in Phase 8 of the State Water
Resource Control Board's Bay-Delta Hearings

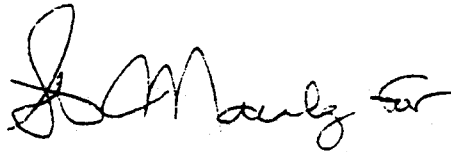
As promised in my June 21, 2000 memorandum, this is the first of the monthly reports on activities to negotiate a package agreement to address water needs for implementing the CALFED Framework for Action for resolving Phase 8 issues. Over the past month and a half, representatives of the water community and State and federal agencies have been participating in the flurry of activity to complete documents necessary for finalizing the Record of Decision of the CALFED Programmatic EIR/EIS, which will implement the Framework for Action. This important work, however, has not impeded activities to organize staff and resources to address issues necessary to resolve Phase 8 issues.

Currently, negotiating teams representing the export and upstream interests are being assembled and several drafts of the "Proposed Framework for Resolution - Bay Delta Water Rights Hearing" have been reviewed and exchanged among the principle negotiators. Legal and technical teams have been identified to assist the negotiators representing the Sacramento Valley water interests, State Water Contractors, federal contractors, San Joaquin River interests and the State and federal agencies. A full-day initial meeting has been tentatively scheduled for late August with the morning session devoted to a two-hour presentation by the Sacramento Valley group followed by a two-hour presentation by the export group. The rest of the day will involve discussions to seek initial agreement on the goals of the negotiations.

The first task for the negotiating teams will be to develop procedures and a timeline for the negotiations. The approach will be to focus on the use of water assets (new reservoirs, conjunctive use programs, etc.) to resolve the issues, rather than attempting to apportion water shortages anticipated under the Phase 8 process. If progress is made on general concepts and the proposed Framework for Resolution, an aggressive schedule will be established for future sessions and a mediator/facilitator will be retained.

Arthur Baggett
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If you have any questions on this matter, please call me or have your staff call Cathy Crothers in the Office of the Chief Counsel at (916) 653-5613.

A handwritten signature in black ink, appearing to read "T. M. Hannigan". The signature is fluid and cursive, with a large initial "T" and "M".

Thomas M. Hannigan
Director
(916) 653-7007